

KENTUCKY AGRICULTURAL DEVELOPMENT FUND UPDATE

JULY 19, 2006

Cultivating Rural Prosperity

INSIDE THIS ISSUE:

COMPETITIVE AWARDS	2
KCADE KORNER	3
KAFC UPDATE	3
GOAP NEWS	4
MODEL SCOOP	5
COUNTY COUNCILS	6
WEBSITE UPDATES	7
PHASE II	7
RELEASES	7



Ernie Fletcher, Governor
Keith L. Rogers, CEO
Sandra P. Gardner, Editor

404 Ann Street
Frankfort, Kentucky 40601

Phone: (502) 564-4627

Fax: (502) 564-8990

govkyagpolicy@ky.gov

agpolicy.ky.gov

Board Meetings in Review

At their May and June meetings the Agricultural Development Board approved \$11,762,228 for agricultural diversification in the Commonwealth.

\$2,676,768 in state and \$520,575 in county funds were approved 21 non-model projects. These projects ranged in scope from farmers' market development to value-added processing.

The remaining funds (\$8,464,885 in county funds) were for 12 of the 13 county model programs. The following are the May & June 2006 commitments and the counties committing:

Agricultural Diversification - \$350,892:

Breckinridge, Edmonson, Elliott, Garrard, Hopkins, Madison, Mason, McLean, Nelson, Scott, Shelby, Warren, Washington

Cattle Genetics Improvement - \$378,315:

Daviess, Elliott, Garrard, Hart, Kenton, Laurel, Lincoln, Madison, Mason, McLean, Mercer, Nelson, Rockcastle, Scott, Webster

Cattle Handling Facilities - \$966,452:

Barren, Daviess, Elliott, Fleming, Garrard, Hart, Lincoln, Madison, Mason, Meade, Mercer, Nelson, Rockcastle, Rowan, Scott, Taylor, Webster

Dairy Diversification - \$353,175:

Barren, Edmonson, Fleming, Lincoln, Mason, Mercer, Shelby, Taylor, Warren

Farm Livestock Fencing - \$909,060:

Caldwell, Fleming, Garrard, Kenton, Laurel, Madison, Mason, Meade, Mercer, Metcalfe, Robertson, Rowan, Scott

Forage Improvement - \$1,400,398:

Barren, Bracken, Daviess, Edmonson, Elliott, Fleming, Franklin, Garrard, Hart, Jessamine, Knox, Lincoln, Madison, Marshall, Mercer, Metcalfe, Pendleton, Scott, Taylor, Warren

Goat & Sheep Diversification - \$177,300:

Breckinridge, Elliott, Hart, Kenton, Laurel, Meade, McLean, Nelson, Rowan, Spencer



"Touching the Sky"

[Photo: Sandy Gardner taken at Chrisman Mill Vineyard (Jessamine Co.)]

Hay, Straw, & Commodity - \$1,407,126:

Adair, Caldwell, Edmonson, Garrard, Graves, Kenton, Lincoln, Madison, Mason, McLean, Meade, Mercer, Metcalfe, Nelson, Ohio, Rockcastle, Shelby, Taylor, Webster

On-farm Water - \$97,730:

Elliott, Franklin, Metcalfe, Scott

Shared-use Equipment - \$22,575:

Fayette, Meade, Metcalfe

Technology - \$398,526:

Caldwell, Christian, Daviess, Garrard, Hardin, Madison, McLean, Meade, Scott, Taylor, Warren

Timber - \$23,000:

Fleming, Garrard, Scott

(Continued on page 6)

Competitive Awards



The following four projects were approved for \$75,600 in state funds through the **2006 Farmers' Market Competitive Awards Program**.

CITY OF SPRINGFIELD

The City of Springfield was awarded \$5,100 in Washington County and \$5,100 in state funds to complete a farmers' market pavilion project in downtown Springfield.

CUMBERLAND FARM PRODUCTS ASSOCIATION, INC.

Cumberland Farm Products Association, Inc. was awarded \$2,500 in Wayne County and \$2,500 in state funds to purchase produce display coolers for the Monticello farmers' market location.



To date 16 farmers' markets have received funds for market development and expansion projects.

Right: thornless blackberries; Below: tomatoes at Franklin Co. Farmers' Market



LAWRENCE COUNTY EXTENSION DISTRICT BOARD

The Lawrence County Extension District Board was awarded \$18,000 in Lawrence County (12/05) and \$18,000 in state funds to construct a farmers' market shed.

LONDON-LAUREL COUNTY FARMERS' MARKET ASSOCIATION

The London-Laurel County Farmers' Market Association was approved for \$75,000 in Laurel County and \$50,000 in state funds to expand the London-Laurel County Farmers' Market facility.

Visit <http://agpolicy.ky.gov/> to view the guidelines for this Competitive Awards Program or contact our office at (502) 564-4627. ♦

Eastern Kentucky Foothills Eco/Agri-tourism Corporation Presented Check

Deputy Director for the Governor's Office of Agricultural presented a \$50,000 check to Eastern Kentucky Foothills Eco/Agri-tourism Corporation in Sandy Hook, KY.

This project will assist farmers and landowners in six tobacco dependent counties to create an Eco/Agri-tourism business on their farm. The six counties including Wolfe, Menifee, Morgan, Elliott, Carter, and Greenup are collaborating to make a continuous agri-tourism trail from the Red River Gorge to the Ohio River.



State and local leaders smile as Brian Furnish, GOAP Deputy Director, presents a check for \$50,000.

Brian Furnish, Deputy Director of the Governor's Office of Agricultural Policy, stated, "This project will provide a great opportunity for farmers to diversify by creating an Eco/Agri-tourism business on their farm."

For more information on this project contact Larry Brown with East KY Foothills Eco-Agri-tourism Corporation at (606) 768-8190. ♦

KCADE Korner

Entrepreneurship Workshops

GOAP and the KY Entrepreneurial Coaches Institute will be



sponsoring two regional entrepreneurship workshops. One will be held in each of the south-central and south-eastern portions of the Commonwealth. More information about dates and locations will be provided in the next issue of KADFU (July/August) and on-line at <http://agpolicy.ky.gov/kcade/>. ♦

KAFC Update

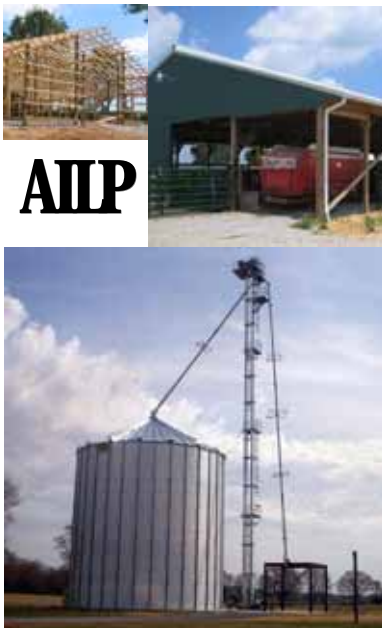


Since its inception in May 2005, the **Agricultural Infrastructure Loan Program (AILP)** has assisted farmers across the Commonwealth make significant investments into diversifying their farming operations. This program allows producers to determine the structural improvement that best suits their farm operations, as shown by these examples:

Pictured above: The Critchelows of Breckinridge County have invested in a 48' X 210' tobacco barn for their tobacco, grain, and livestock operation.

Pictured right (clock-wise from top): Shamrock Glen Farm is constructing a 60' X 40' four-stall horse barn to expand their boarding operation in Woodford County. In Kenton County, the Gibsons of Ed-Mar Farms are constructing a new dairy facility to expand their current operation. This 76,000 bushel grain bin and 5,600 bu/hr elevator leg were part of a project for Smotherman Farms in Calloway County.

For more information on this and other Kentucky Agricultural Finance Corporation programs, call (502) 564-4627 or visit the web at <http://kafc.ky.gov/>. ♦



[Photo: Angela Blank, GOAP]

Checks Presented to Owensboro Biodiesel at Groundbreaking

Keith Rogers, Executive Director of the Governor's Office of Agricultural Policy presented two checks, on behalf of Governor Ernie Fletcher, to Owensboro Grain Biodiesel, LLC at a groundbreaking ceremony in Owensboro, KY on May 18. These funds were for the constructing and equipping of a biodiesel production facility, which will have the capacity to generate as much as 45 million gallons of biodiesel annually.

The first check was for \$1,151,250 from the Kentucky Agricultural Development Board, chaired by Governor Fletcher, and the second check was for \$5,000,000 from the Kentucky Agricultural Finance Corporation, chaired by Commissioner Richie Farmer.

Owensboro Grain Company (OGC) is a family owned firm founded by Henry E. O'Bryan in 1906. OGC purchases approximately 30 million bushels of soybeans annually of which 14 million bushels or 26% of total Kentucky production are supplied by thirty counties in Kentucky.

For more information on this project contact John Wright with Owensboro Grain Biodiesel, LLC at (270) 929-1465. ♦

GOAP News

NEW PILOT PROGRAM REVEALED

The Governor's Office of Agricultural Policy has established a Pilot Satellite Broadband Cost-Share Program for counties to adopt, using County Agricultural Development Funds. High-speed Internet (broadband) will allow Kentucky farmers to simplify important daily tasks, while developing marketing and sales opportunities. Internet resources will allow farmers to remain competitive and profitable in today's changing agricultural economy.

In 2005, a United States Department of Agriculture report showed that fewer Kentucky farmers have access to the Internet (30 percent) compared to farmers in all other states.

Governor Ernie Fletcher recently noted, "My Prescription for Innovation calls for broadband availability for all Kentuckians by 2007, and the Commonwealth is quickly approaching that goal. Nevertheless, for many farm families in the most

rural areas of Kentucky, DSL (digital subscriber line), cable, or wireless broadband services are not available." The Governor added that "this program will greatly benefit those producers who wish to gain access to high-speed Internet services, and increase the percentage of Kentucky farmers with Internet access."

"This program will greatly benefit those producers who wish to gain access to high-speed Internet services, and increase the percentage of Kentucky farmers with Internet access."

The goals of this program are to: 1) Improve farm income through cost-share for establishing satellite broadband service that will improve farm operation efficiency for producers unable to access broadband service; 2) Impact a high number of tobacco de-

pendant producers affected by loss of income resulting from cuts in tobacco production; 3) Encourage the use of broadband Internet service to assist producers in research and science-based decisions for the management and expansion of technology based initiatives in their farming operations; 4) Assist tobacco dependant producers interested in gaining the speed

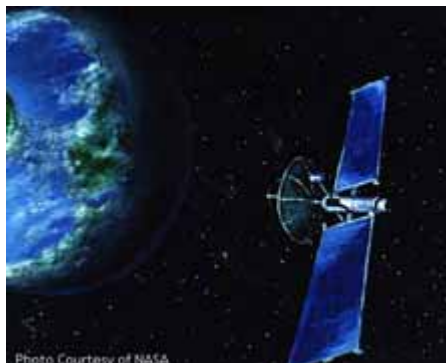


Photo Courtesy of NASA

broadband Internet service provides; and 5) to increase the percentage of Kentucky farmers with Internet access.

The program provides cost-share assistance in two areas. A producer is eligible for 50% of the cost of equipment and installation provided by a satellite broadband provider not to exceed \$250 per producer. Once the equipment is installed, the producer is eligible for cost-share up to 50% of the cost of satellite broadband service for a period of one year not to exceed \$40.00 per month (\$480.00 for the one year) per producer.

Those interested in implementing this pilot program should contact the Governor's Office of Agricultural Policy by e-mail at govkyagpolicy@ky.gov or by phone at (502) 564-4627. ♦



More GOAP News

MAKE YOUR VOICE HEARD!

This summer the Governor's Office of Agricultural Policy (GOAP) will once again host Regional Roundtable Discussions across the Commonwealth.

The 13 Roundtables will provide an opportunity for local agricultural leaders to provide input in shaping the future of the Agricultural Development Fund.

Extension agents, county council members, and agricultural leaders are encouraged to join GOAP staff to discuss issues being faced at the county level. Staff will also provide an update on current programs.

To date, eight Roundtables have been held with over 150 participating. The remaining Roundtables will be held at the following locations:

REGIONAL ROUNDTABLE CALENDAR

July 28, Shelbyville 10AM-12PM
(Shelby County Extension Office)

August 2, Mayfield 7PM-9PM
(Graves County Extension Office)

August 3, Hopkinsville 10AM-12PM
(Christian Co. Extension Office)

August 10, Columbia 10AM-12PM
(Adair County Extension Office)

August 10, Edmonton 7PM-9PM
(Metcalf County Extension Office)

For more information about the Roundtables, then contact GOAP at (502) 564-4627. ♦



Meet Our Summer Intern

In May, [Ashley Ross](#) joined the Governor's Office of Agricultural Policy, as a 2006 Summer Intern. She is a junior at the University of Kentucky where she is studying agricultural education and agricultural economics.



At UK, Ashley is involved in Ceres Women's Agricultural Fraternity, Collegiate FFA, Alpha

Zeta, and the Agricultural Education Society.

Ashley hails from Meade County, where her family raises cattle, sheep, and tobacco on the family farm.

We are happy to have Ashley with us this summer, and hope that she will enjoy the experience of working with one of the most unique programs in agricultural history. ♦

Model Scoop

REPORTING TRICKS & TIPS

What do I do if the reporting period is not in the drop-down box, as a choice, on the reporting forms?

1. Open the reporting form and scroll to the far right of the report. You should see a list of the reporting periods in the grayed-out area under the "DO NOT DELETE" heading.
2. Select a cell with an earlier date (e.g. 2004 1Q) and change the date within the cell (e.g. 2006 2Q). DO NOT DELETE or Insert cells.
3. Save the form.
4. Enter reporting information as usual.

If you still have problems after following these steps, then please feel free to call the Compliance/Reporting Department for assistance at (502) 564-4627. ♦

PROGRAM UPDATES

GENETICS PROGRAM

Guidelines

//-C(2) has been reinstated, as of 7/1/2006

Producers submitting applications to their local administrator after 6/30/2006 must follow all guidelines, including purchasing their bull after application submission.

County Council Administration

2006-2008 APPOINTMENTS

Council member terms expired June 30. To date, 35% of the Councils have provided updated information. If your county has not provided an update, then please do so as soon as possible.

How to Update

The on-line update center, mentioned in the March/April issue, has been delayed and will be ready later this year.

In the meantime, to update your

2006-2008 Council members, please e-mail the following member information to govkyagpolicy@ky.gov:

- Name
- Organization Representing
- Mailing address
- E-mail address, and
- Identify the chairperson.

Please note, even if you have little or no county funds, the statute requires each county to have a council in place.

If you have any questions, then please call us at (502) 564-4627. ♦

Board Meetings (cont.)

(Continued from page 1)

Model Menu Approaches - \$2,145,419:

Carroll, Franklin, Henry, Monroe, Morgan, Ohio, Oldham, Powell, Trimble, Washington, Wayne, Woodford

The Board took the majority of their May meeting to discuss funding priorities and to allocate blocks of funds for certain types of projects (Table 1.). The Board reserves the right to adjust funding available between categories at their discretion.

At its June meeting, the Board received an update from the Kentucky Department of Agriculture (KDA) and Allied Food Marketers (AFM) on the marketing and promotion efforts made over the last year. Rick Raque, AFM, and Michael Judge, KDA, led the presentation.

The Board will be holding their July meeting jointly with the Kentucky

Agricultural Finance Corporation in Henderson. During this two-day meeting, the boards will meet jointly on the first day, and then tour of Little Kentucky Smokehouse in Union County. On day two, each Board will hold individual regular board meetings, both beginning at 10:00 a.m. CDT.

View the [May & June Board press releases](#) for summaries on the projects approved. ♦

Table 1: KADF Investment Categories

Capital Access	\$ 7,000,000.00
Education & Leadership Development	\$ 5,600,000.00
Marketing / Value-added Processing & Production	\$13,000,000.00
KCADE	\$ 1,000,000.00
Competitive Awards (2006 Farmers' Market & Agri-tourism)	\$ 3,000,000.00
Other	\$ 1,970,781.00
Total:	\$ 28,50,781.00

Updated County Councils

(2006-2008)

Allen
Barren
Bath
Breckinridge
Caldwell
Clay
Edmonson
Grant
Grayson
Hancock
Hardin
Hart
Henderson
Henry
Hopkins
Jackson
Knott
LaRue
Logan
Madison
Marion
Mason
McCreary
McLean
Menifee
Monroe
Morgan
Muhlenberg
Nelson
Nicholas
Oldham
Owen
Owsley
Perry
Rowan
Spencer
Trigg
Union
Warren
Washington
Webster

Council Administrative Funds

For fiscal year 2007, 43 counties allocated a total of \$268,183 to cover expenses associated with administering the County Agricultural Development Council. This represents 43% of eligible counties.

Phase II Update

On July 1, 2006, over 21,000 claim forms were mailed to 2003 quota owners of eligible farms, as part of the **2006 Kentucky Tobacco Quota Owner Amnesty Program**.

As part of the 2007-2008 budget bill passed by the General Assembly, the Kentucky Tobacco Settlement Trust Corporation was charged with the task of certifying and granting one-time payments to 2003 crop year quota owners who did not attain certification status under the Corporation's 2004 compensation plan.

Nearly 114,000 farms were eligible in 2004 to receive payments through Phase II. However, after the Corporation concluded the application period for the 2004 distribution, approximately 21,000 farms had not been certified. The Corporation has been able to identify these farms and a majority of their eligible recipients.

Web Updates

County Account Availability (6/26/2006):

<http://agpolicy.ky.gov/funds/availability.shtml>

GOAP Calendar:

<http://agpolicy.ky.gov/calendar.shtml>

KAFC Programs: <http://kafc.ky.gov/>

Model Program Counties:

http://agpolicy.ky.gov/funds/funded_model_programs.shtml

Other Funding Opportunities:

<http://agpolicy.ky.gov/kcade/grant.shtml>

Pilot Satellite Broadband Program:

http://agpolicy.ky.gov/funds/pilot_program_satellite-broadband.shtml

Staff: <http://agpolicy.ky.gov/staff.shtml>

Quota owners of eligible farms have until July 31, 2006 to complete and return the claim form. The Corporation will then certify the payee list and prepare to issue checks the week of August 28, 2006. The payment rate is fixed at \$.229 per pound of tobacco quota certified by the Corporation.

The funding for the Amnesty Program comes from the Kentucky Agricultural Development Fund.

For questions pertaining to eligibility and status please call the Tobacco Quota Amnesty Call Center at (866) 887-0095. All correspondence must reference the claimant ID Number in order to help identify the claim. For additional information including a list of claim recipients by county, go to http://tobaccotrust.ky.gov/phase_ii/. ♦



Communications

Press releases are a crucial piece of getting out the word about the programs and events surrounding the Agricultural Development Fund.

To streamline our press release process for model programs, press releases for model programs will be sent to the press, agents, and others two Mondays after the Agricultural Development Board's monthly meeting. Model Program releases will no longer be sent when checks mailed.

For questions about press releases, please contact Angela G. Blank, Communications Officer, at (502) 564-4627. ♦

REVISED WEB UPDATE TIMELINE

News Center launch
August 2

**County Council resource
page revision launch**
August 9

**Post Executive Summaries
of all KCADE studies**
August 16

**Program & Services
launch (formerly "Help for
Farmers")**
September 1

On-line Council Updates
TBD

agpolicy.ky.gov

FUTURE MEETINGS

KADF Board Meeting
Friday, July 21
*Wolfe's Banquet &
Convention Center*
Henderson

**KY Agricultural
Finance Corporation**
Friday, July 21
Henderson

**Tobacco Settlement
Oversight Committee**
Tuesday, Aug. 8
Frankfort

**Meeting locations & times
subject to change **